

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0593-01
Bill No.: HB 87
Subject: Health Care Professionals; Insurance - Medical; Medical Procedures and Personnel
Type: Original
Date: February 5, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
General Revenue*	\$0	(Unknown)	(Unknown)
Insurance Dedicated	\$10,000	\$0	\$0
Total Estimated Net Effect on <u>All</u> State Funds	\$10,000	(UNKNOWN)*	(UNKNOWN)*

*Expected to be less than \$100,000 annually.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Federal*	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

*Revenues and expenditures are expected to be less than \$100,000 annually and net to \$0.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Conservation**, the **Office of Attorney General**, and the **Department of Transportation** assume this proposal would not fiscally impact their agencies.

Department of Insurance (INS) officials state that they anticipate that current appropriations and staff would be able to absorb the work for implementation of this proposal. However, if additional proposals are approved during the legislative session, INS may need to request an increase in appropriations due to the combined effect of multiple proposals. INS states there are 171 health insurers and 29 HMOs which would each submit one policy form amendment resulting in revenues of \$10,000 to the Insurance Dedicated Fund.

Officials from the **Department of Social Services (DOS)** assume that the registered nurse first assistant is a registered nurse trained to assist in surgery. DOS also assumes that no new services would be covered by the Medicaid program because of this proposal. However, an increase in costs is anticipated from an increase in providers participating in the Medicaid program. DOS states that registered first assistants are not currently enrolled as separate provider groups. DOS states that their services are covered and reimbursed to hospitals and ambulatory surgical centers as part of their costs. DOS assumes that the registered nurse first assistants would enroll and participate in the Medicaid program.

DOS assumes the fiscal impact is unknown; however, the cost is expected to be greater than \$100,000. DOS assumes the department would first incur costs in FY 2003 (effective date is January 1, 2002); time would be needed to establish criteria for enrollment in the Medicaid program.

Oversight notes that there are approximately 1,200 certified nurse first assistants nationwide. **Oversight** assumes that teaching hospitals would not use a certified nurse first assistant. **Oversight** assumes that the cost would be less than \$100,000 annually.

Missouri Consolidated Health Care Plan (HCP) officials state initially this proposal would not impact HCP. HCP states this proposal may shift costs within the plans as they contract with licensed physician assistant or the registered nurse first assistant. HCP further states the plans may have some new costs associated with credentialing the new provider group and establishing them in their payment roles but there may be future savings in using a lower cost provider in certain situations.

Officials from the **Department of Economic Development (DED)** did not respond to our fiscal impact request. However, in responding to a similar request last session DED assumed no fiscal impact to their agency.

FISCAL IMPACT - State Government

FY 2002
(10 Mo.)

FY 2003

FY 2004

GENERAL REVENUE FUND

Costs - Department of Social Services

Medical assistance payments*

\$0

(Unknown)

(Unknown)

**ESTIMATED NET EFFECT ON
GENERAL REVENUE FUND**

\$0

(UNKNOWN)

(UNKNOWN)

***Expected to be less than \$100,000
annually.**

INSURANCE DEDICATED FUND

Income - Department of Insurance

Form filing fees

\$10,000

\$0

\$0

**ESTIMATED NET EFFECT ON
INSURANCE DEDICATED FUND**

\$10,000

\$0

\$0

FEDERAL FUNDS

Income - Department of Social Services

Medicaid reimbursements

\$0

Unknown

Unknown

Costs - Department of Social Services

Medical assistance payments

\$0

(Unknown)

(Unknown)

**ESTIMATED NET EFFECT ON
FEDERAL FUNDS***

\$0

\$0

\$0

***Revenues and expenditures are expected to be less than \$100,000 annually and net to \$0.**

FISCAL IMPACT - Local Government

FY 2002
(10 Mo.)

FY 2003

FY 2004

\$0

\$0

\$0

FISCAL IMPACT - Small Business

Small medical business practices would be expected to be fiscally impacted to the extent they would incur increased revenues as a result of this proposal. In addition, small businesses with health plans would be expected to be fiscally impacted to the extent that they would incur changes in insurance premium rates.

DESCRIPTION

This proposal would require health insurance plans to provide coverage for services rendered or ordered by a registered nurse first assistant or by a licensed physician assistant working in a written supervision agreement. The proposal would also define "registered nurse first assistant" and would require the State Board of Nursing to specify which professional nursing organization certifications would be recognized for registered nurse first assistants and to establish criteria for other registered nurses to use the title other than through such certification.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Social Services
Department of Insurance
Missouri Consolidated Health Care Plan
Department of Transportation
Department of Public Safety
Missouri State Highway Patrol
Department of Conservation
Office of Attorney General

NOT RESPONDING: Department of Economic Development - Division of Professional Registration



Jeanne Jarrett, CPA
Director

February 5, 2001